Republic of Rwanda
Ministry of Youth and Arts

UNDP

# AGUKA TRACER STUDY

## Key Outcomes

12th EPRN Annual Economic Research Conference

26th June 2026

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| IDEATION | INCUBATION | POST-INCUBATION |
|---|---|---|
| Road Maintenance | ArtRwanda Ubuhanzi initiative | Hanga Hubs |
| TEF Ideation | Vulnerable youth (Women, PWDs) | YouthConnekt Caravane |
| Bootcamp for Refugees | YouthConnekt bootcamp | Post Incubation @ Norrsken |
| TVET Youth Challenge | | |

aguka

Harnessing the power of youth-led businesses

**5,000**
MSMEs supported

**100,000**
jobs created

# Tracer Study?

**Objective:**

- Collet Data
- Among **2,000** entrepreneurs
- Period: **2022** and **2025**
  - Measure impact/ build Evidence
  - Guide future policies/investment

**Methodology:**

- Quantitative surveys
- Focus group discussions, and
- Key informant interviews

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# Beneficiary Profile

| 855 Female | 1,048 Male | 1,903 Individuals | 84 PWD | 24 Refugees |
|---|---|---|---|---|
| 45% Total individuals | 55% Total individuals | | 4,4% Individuals | 1% Individuals |

# Formal vs Informal sectors

- RDB Certificate
- RRA Registration
- Written records of account

**79.3%** of women-led business are informal

**20.7%** of women-led business are formal

**31.8%** of Aguka business formal

VS

**11.9%** At national level

**59.2%** of men-led business are informal

**40.8%** of men-led business are formal

## Main barriers to formality:

- Limited access to finance / Low financial literacy
- Fear of tax exposure
- Low margin, survival-oriented sectors (retails, arts, small services)
- Gender bias (lower asset ownership, mobility, cultural norms, etc.)

# Access to finance

1,647
Have a bank/MFI/SACCO
86.5%
Total individuals

256 Do not have a bank/MFI/SACCO
13.5%
Total individuals

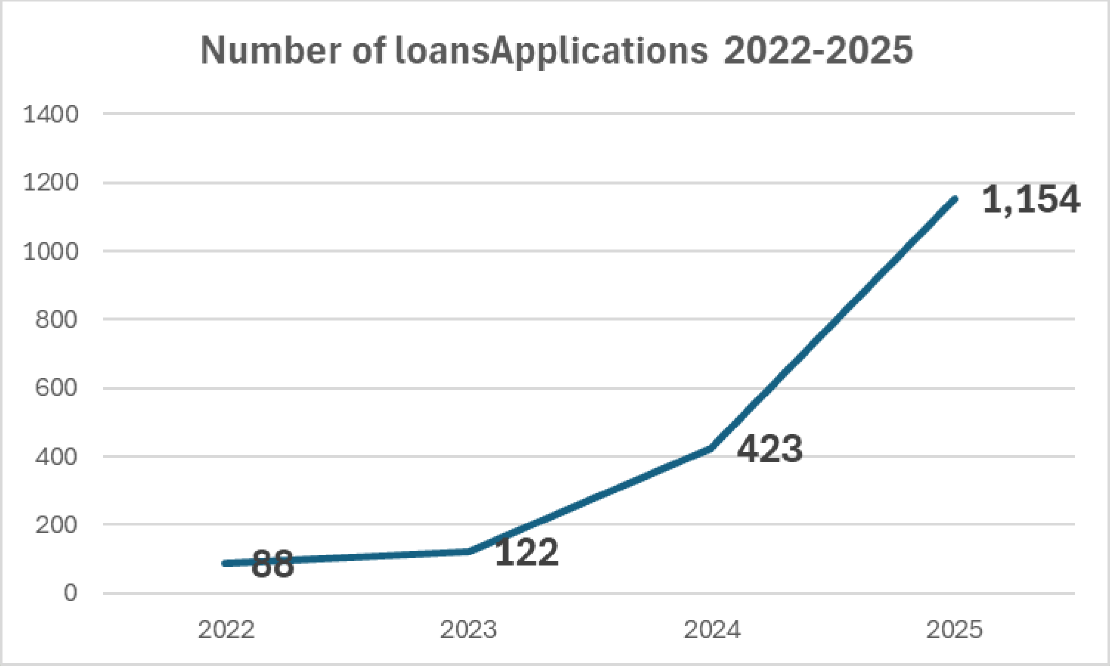
332
Did apply for a loan
17.4%
Total individuals

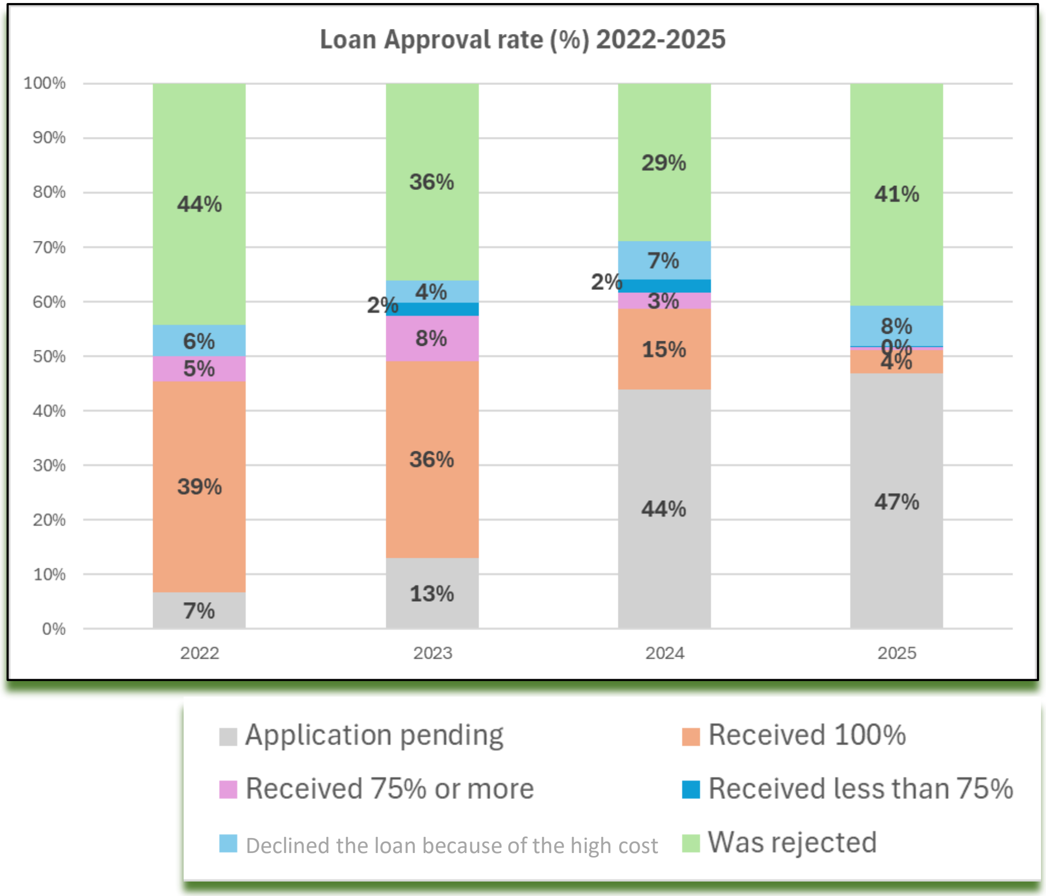
1,571
Did not apply for a loan
82.6%
Total individuals

75%
Short and medium-term loans

22%
Long-term loans

# Access to finance



# Access to finance

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## Key challenges:

1. Limited **financial literacy**
2. High business **informality** (68%)
3. Weak **bank readiness**
4. **Collateral** requirement too high
5. High **interest rates**
6. Limited **guarantee mechanisms**
7. **Limited diversification of credit sources:** Most rely on S/M-term loans, with almost no access to overdrafts, or alternative financing.
8. Additional barriers to **vulnerable youth (women and refugees):** low asset ownership, Documentation

# Incomes/Profits (2022 - 2025)

Frw **34 Billion** (USD **22 Million)**
Revenues generated

Frw **10 Billion**
(USD **6.5 Million**)
Net Profit generated

Frw **2 Billion** (USD **1.5 Million**)
Taxes paid

# Employment

128,485
Total Jobs created

66
Average Jobs created/SME

42,881
Are female

33%

85,604
Are male

67%

30,162
Decent jobs

23%

98,323
Casual, informal or seasonal jobs

77%

# Return

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U N
D P

**1 USD**
invested

**46 USD**
Revenues generated

**1 USD**
invested

**14 USD**
Net profit generated

**100 USD**
invested

**7** Job created

# Conclusion

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1

**AGUKA drives enterprise growth & formalization**

2

SMEs show **strong economic contribution**

3

**Significant ROI**

4

**Strong community-level impact** (90% of beneficiaries report positive effects in their communities (improved services, local economy)

5

**Youth enterprises create jobs but remain** vulnerable → Most jobs are short-term or casual.

6

Significant gender **refugees, & PWDs** disparities.

7

**Finance works best when paired with mentorship & coaching** → Grants alone are not enough for sustainable growth.

8

**Integrated model is the programme's strongest asset →** capital + coaching + market linkages = best results.

# Recommendations

### 1. Expand financial literacy and coaching support

Low financial literacy, weak bookkeeping, and limited understanding of loan procedures were major barriers.

### 2. Facilitate access to affordable and inclusive finance.

Need for tailored loan products for youth, women, refugees, and PWDs, supported by guarantees and lower interest rates.

### 3. Strengthen business development services and market linkages.

High operating costs and weak market access reduce profitability. Need for Product development coaching, online buyer supplier platforms, trade fairs.

### 4. Advance inclusivity, gender equality and women's formalization

High level of informality, specific barriers to access to finance, lower jobs created targeted interventions/products for women/refugees/PWD

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